Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

CONFIDENTIAL

PAGE 01 CARACA 00653 01 OF 02 212120Z
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05
PC-01 EB-08 INT-05 OES-06 FEA-01 COME-00 FRB-03
TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01
AGRE-00 DHA-02 IO-13 STR-04 /116 W
----------212214Z 002269 /64
R 211924Z JAN 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 6317

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 0653

E.O. 11652: GDS
TAGS: PFOR, VE
SUBJECT: U.S. AND VENEZUELA: I. THE SETTING

REF: CARACAS 0654

1. NOTE: THIS IS THE FIRST OF A TWO-CABLE SERIES. IT APPRAISES AND EXTRAPOLATES THE MAIN TRENDS IN VENEZUELA'S CURRENT SITUATION. A FOLLOWING CABLE WILL DEAL WITH THEIR MEANING FOR THE US. THESE CABLES ARE SUBMITTED NOW IN THE BELIEF THAT THEY MAY BE HELPFUL AT THIS TRANSITION POINT AS A CONCEPTUAL FRAMEWORK FOR "SEEING" VENEZUELA.

2. SUMMARY: THE KEY ELEMENTS SHAPING VENEZUELA'S INCREASINGLY ASSERTIVE AND IMPORTANT INTERNATIONAL ROLE ARE: A) ITS CONDITION AS A MAJOR OIL PRODUCER/ EXPORTER WHICH MAKES OIL ITS LIFELINE, THE UNDERPINNING OF ITS POLITICAL DYNAMICS AND THE MAIN LINK WHICH RELATES IT TO OPEC, NORTH/SOUTH PROBLEMS AND THE US; B) ITS MAJOR COMMITMENT TO A MASSIVE AND AMBITIOUS DEVELOPMENT PROGRAM THAT WILL REQUIRE MAJOR EXTERNAL INPUTS AND WHICH, IF SUCCESSFUL, WILL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 00653 01 OF 02 212120Z

CHANGE NOT ONLY ITS ECONOMY BUT ITS SOCIETAL STRUCTURE; AND C) AN INCREASINGLY INDEPENDENT AND ACTIVIST FOREIGN POLICY WHICH IS THE RESULT PARTLY OF ITS INTERNAL DYNAMICS, PARTLY OF ITS NEED TO LEGITIMIZE ITS OIL POLICY, AND PARTLY OF THE BOLIVARIAN COMPLEX THAT CHARACTERIZES THE NATIONAL PSYCHOLOGY. ALL THESE ELEMENTS IN TURN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

ARE UNDERPINNED BY A FUNDAMENTAL COMMITMENT ON
THE PART OF THE MAJOR DECISION-MAKING ELITES TO THE
STABILIZATION AND DEEPENING OF VENEZUELA'S DEMOCRACY.
IT IS THIS FACTOR WHICH GIVES A) URGENCY TO THE
DEVELOPMENT EFFORT BECAUSE THAT IS VIEWED AS AN IN-
DISPENSABLE CONDITION FOR DEMOCRACY'S SURVIVAL; B)
TENACITY TO ITS ADHERENCE TO THE POLICY OF HIGH OIL
PRICES AND DEFENSE OF OPEC BECAUSE THAT IS VIEWED
AS ESSENTIAL TO FINANCE DEVELOPMENT; AND C) ACTIVISM
TO ITS FOREIGN POLICY BECAUSE THAT IS CONSIDERED
AN IMPORTANT WAY TO AFFECT THE INTERNATIONAL
ENVIRONMENT AND ECONOMY IN WAYS CONDUCIVE TO
DEVELOPMENT IN VENEZUELA.

3. AN EXTRAPOLATION OF PRESENT POLITICAL AND
ECONOMIC TRENDS SUGGESTS, HOWEVER, THAT
VENEZUELA IS APPROACHING A PERIOD OF ECONOMIC
AND POLITICAL DIFFICULTY AND OF DIFFICULT POLICY
CHOICES. THIS IS BECAUSE OF A) A PROBABLY LEVELLING
AND EVEN DECLINE IN OIL-INCOME AFTER ABOUT 1979
WITH THE CONSEQUENT PROBABILITY THAT THERE WILL
BE NO FUTURE OIL-GENERATED INCOME BONANZAS TO RESOLVE
CONFLICTS AND ALLOW POSTPONEMENT OF DIFFICULT
DEVELOPMENT CHOICES; B) FORCED RELIANCE ON
SUBSTANTIAL BORROWING TO FUND THE DEVELOPMENT PROGRAM,
AND, ALTHOUGH VENEZUELA WILL BE AN EXCELLENT CREDIT
RISK FOR YEARS TO COME, THIS POSES DIFFERENT FISCAL
REQUIREMENTS THAN THE GOV HAS HAD TO FACE UP TO NOW;
AND C) THE PROBABILITY OF POLITICAL PROBLEMS ARISING
CONFIDENTIAL

CONFIDENTIAL

OUT OF "SECTORAL" CONFLICTS, ADMINISTRATIVE PROBLEMS
AND SUCH ISSUES AS THE PERFORMANCE OF THE PUBLIC
SECTOR AND THE EXTENT AND FORM OF REGULATION OF
DOMESTIC AND FOREIGN ECONOMIC ACTIVITIES. ALL THESE
CONSIDERATIONS ARE AFFECTED BY A VENEZUELAN MIND-SET
THAT REFLECTS AN HISTORICAL AVERSION TO "DEPENDENCY"
AND DEEP SUSPICION OF MULTINATIONS, BOTH LARGELY
THE RESULT OF HOW THEY HAVE SEEN THEIR OIL HISTORY.
THIS IN TURN HAS MEANT A COMPENSATING URGE TO
"UNIVERSALIZE" FOREIGN RELATIONS AND ITS TECHNOLOGY
AND ECONOMIC ARRANGEMENTS, AND AN UNWILLINGNESS TO
LOOK TO PRIVATE FOREIGN INVESTMENT FOR DEVELOPMENT
CAPITAL. THIS MIND-SET COMBINES WITH A
CONTRASTING BASIC FRIENDSHIP FOR THE US AND
ADMIRATION FOR ITS TECHNOLOGY AND SYSTEM TO CREATE
AN ALMOST CLASSIC LOVE-HATE AMBIVALENCE THAT IS
BOTH A CHALLENGE AND AN OPPORTUNITY FOR US
STATECRAFT. END SUMMARY.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

4. SOCIAL-POLITICAL-ECONOMIC SETTING. THE DEMOCRATIC SYSTEM HAS THE ALLEGIANCE OF MAJOR INSTITUTIONAL ACTORS IN VENEZUELAN SOCIETY. THE LEADERS OF THESE INSTITUTIONS SHARE A TRADITION OF EXILE, IMPRISONMENT AND CLANDESTINE OPPOSITION DURING THE 1948-1958 PEREZ JIMENEZ DICTATORSHIP. THEREFORE, THOUGH THEY WORRY ABOUT THE FRAGILITY OF DEMOCRACY IN VENEZUELA, THEY ARE COMMITTED TO MAKING IT WORK.

5. VENEZUELA'S OIL-BASED PROSPERITY IS THE PRINCIPAL UNDERPINNING OF ITS DEMOCRACY AND POLITICAL DYNAMICS. WITHOUT REVENUES FROM THE OIL INDUSTRY, POLITICAL AND SOCIAL STRAINS PROBABLY WOULD NOT HAVE PERMITTED THE GROWTH OF DEMOCRACY AND PARTY POLITICS. DESPITE SERIOUS DEFECTS IN SOCIAL PROGRAMS, THE GOVERNMENT HAS BEEN ABLE TO PROVIDE LARGE QUANTITIES OF PUBLIC SERVICES INCLUDING EDUCATION, HEALTH FACILITIES, HOUSING AND CONFIDENTIAL

OTHER PUBLIC WORKS BENEFITING THE POOR SEGMENTS OF THE POPULATION. OIL REVENUES HAVE PERMITTED LAND REFORM AND THE NATIONALIZATION OF THE IRON AND PETROLEUM INDUSTRIES WITH RELATIVELY LITTLE POLITICAL COST AND WITHOUT MAJOR CONFRONTATIONS OR INTERNATIONAL ECONOMIC REPERCUSSIONS. OIL HAS ALSO FINANCED THE MAINTENANCE OF SMALL BUT WELL PAID AND RELATIVELY WELL EQUIPPED MILITARY, WHICH APPEARS CONTENT. IT HAS ALSO PERMITTED DIRECT AND INDIRECT SUBSIDIES TO THE PRIVATE SECTOR. CUSTOMS AND TAX EXEMPTIONS, LOAN PROGRAMS AND IMPORT RESTRICTIONS TO STIMULATE INDUSTRIALIZATION HAVE GREATLY ENHANCED THE WEALTH AND POWER OF THE ECONOMIC ELITE. FINALLY, SINCE 1975, THE OIL BONANZA HAS PROVIDED FUNDS TO SUPPORT VENEZUELA'S ACTIVE FOREIGN POLICY. LOANS TO INTERNATIONAL FINANCIAL INSTITUTIONS AND TO REGIONAL AND SPECIAL FUNDS AS WELL AS BILATERAL CREDITS, HAVE SOFTENED THE IMPACT OF INCREASED PETROLEUM PRICES, LIMITING CRITICISM AND ENHANCING VENEZUELA'S IMAGE AS A LATIN AMERICAN LEADER.

6. HISTORICALLY, VENEZUELA HAS DEPENDED ON THE OIL INDUSTRY TO FINANCE ITS GROWING PUBLIC SECTOR AND FUEL THE GROWTH OF THE ENTIRE ECONOMY. DESPITE HUGE INVESTMENTS OVER THE YEARS, HOWEVER, THE NATION'S INFRASTRUCTURE IS STILL WEAK. EDUCATION, VOCATIONAL TRAINING AND AGRICULTURE ARE BACKWARD AND INADEQUATE. THE SUPERFICIALLY DEVELOPED INDUSTRIAL SECTOR IS BESET BY INEFFICIENCY AND HIGH COSTS. VENEZUELA HAS A NATIONAL PLAN (PLAN V) FOR THE YEARS 1976 THROUGH 1980, BUT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

VENEZUELA WILL NOT BE ABLE ITSELF TO GENERATE THE LARGE
AMOUNT OF OFFICIAL CAPITAL REQUIRED. THE MOST
SERIOUS LIMITING FACTOR TO THE ATTAINMENT OF THE
PLAN IS THE LACK OF SKILLED AND SEMI-SKILLED MAN-
POWER. ANOTHER MAJOR LIMITATION IS
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 CARACA 00653 01 OF 02 212120Z

VENEZUELA'S LIMITED CAPACITY TO ABSORB THE TECHNOLOGY
REQUIRED FOR ECONOMIC EXPANSION.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 CARACA 00653 02 OF 02 212134Z
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05
PC-01 EB-08 INT-05 OES-06 FEA-01 COME-00 FRB-03
TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01
AGRE-00 DHA-02 IO-13 STR-04 /116 W
----------212214Z 002549 /64
R 211924Z JAN 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 6318

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 0653

7. WE ARE NOT OPTIMISTIC THAT VENEZUELA WILL BE ABLE
TO ACHIEVE A HIGH RATE (5 PLUS) ECONOMIC GROWTH AFTER
THE PRESENT BOOM PERIOD IS OVER. CURRENT EXPENSES AND
DEBT SERVICING HAVE GROWN AND OIL REVENUE WILL
PROBABLY NOT BE ABLE, WITHIN TWO OR THREE YEARS, TO
KEEP PACE. BY THAT TIME, THE BALANCE OF PAYMENTS WILL
HAVE TURNED NEGATIVE. FOREIGN EXCHANGE RESERVES
WILL BE DECREASING AND PRESSURES ON THE BUDGET WILL
MOUNT. THIS WILL PRESENT THE GOVERNMENT WITH SOME
DIFFICULT DEVELOPMENT CHOICES WHICH COULD LEAD TO CONFLICTS
WITH INSTITUTIONAL PRESSURE GROUPS SUCH AS THE ECONOMIC
ELITES (TAX REFORM), POSSIBLE ORGANIZED LABOR
(ATTEMPTS TO LIMIT WAGES OR OTHER BENEFITS)
AND THE ARMED FORCES (BUDGET RESTRICTIONS OR
DISAGREEMENTS OVER DEVELOPMENT STRATEGY). SUCH

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

"SECTORAL" CONFLICTS COULD PROVE TO BE ONE OF THE MAJOR TESTS OF THE VIABILITY OF THE DEMOCRATIC SYSTEM IN VENEZUELA.

8. OIL AND OIL PRICES. VENEZUELA'S OIL INDUSTRY IS CHARACTERIZED BY DECLINING PRODUCTIVE CAPACITY DUE TO THE VERY LOW LEVELS OF REINVESTMENT DURING THE DECADE PRIOR TO NATIONALIZATION A YEAR AGO.
CONFIDENTIAL

THE GOVERNMENT'S ANNOUNCED PLANS FOR A MAJOR NEW INVESTMENT PROGRAM WILL NOT BE ADEQUATE EVEN TO MAINTAIN CURRENT PRODUCTION LEVELS OVER THE LONG TERM. MUCH GREATER INVESTMENT WILL BE REQUIRED TO GO BEYOND KNOWN FIELDS INTO OFFSHORE AREAS AND THE ORINOCO HEAVY OIL BELT, WHICH CONTAIN THE GREATEST POTENTIAL FOR NEW RESERVES BUT ALSO INVOLVE MUCH HIGHER PRODUCTION COSTS.

9. VENEZUELA WILL CERTAINLY CONTINUE TO JOIN THOSE OPEC COUNTRIES SEEKING TO MAXIMIZE OIL PRICES. IN THE ABSENCE OF MASSIVE NEW PRICE INCREASES, HOWEVER, GREATER PRODUCTION VOLUME WILL PROBABLY BE NEEDED TO SUPPORT DEVELOPMENT PLANS. WITHIN THE NEXT THREE TO FOUR YEARS, VENEZUELA IS LIKELY TO BE FACED WITH THE ALTERNATIVE OF LIMITING ITS DEVELOPMENT PROGRAMS OR OF SHIFTING ITS PRESENT POLICY REGARDING FOREIGN CAPITAL IN ORDER TO FINANCE PRODUCTION OF THIS MORE COSTLY OIL.

10. IN ADDITION TO HIGH OIL INCOME, VENEZUELA HAS A SECOND MAJOR PETROLEUM GOAL OF ESTABLISHING SECURE, STABLE MARKETS AND MARKETING ARRANGEMENTS. WHILE THE US IS A NATURAL MARKET, VENEZUELA HAS FOR YEARS FELT THAT IT HAS NOT BEEN ACCORDED THE SPECIAL TREATMENT AND ROLE IN THE US IMPORT PATTERN THAT ITS RECORD OF SUPPLY EFFORT AND GEOGRAPHIC FACTORS WARRANTED. ITS PERCEPTION RATHER IS THAT IT HAS BEEN SUBJECT TO THE WHIMS OF THE MARKET AND THE COMPANIES. THE TRADE ACT CONFIRMED THEIR WORST FEARS AND FRUSTRATIONS. HEAVY RELIANCE ON THE US MARKET THEREFORE IS SEEN BY VENEZUELA AS A SOURCE OF INSECURITY. IT ALSO SEES DEPENDENCE ON THE US MULTI-NATIONALS FOR THE MARKETING OF ITS PETROLEUM AS A SOURCE OF INSECURITY AND FRUSTRATION. AS A RESULT, THE GOV'S STATED POLICY IS A) GRADUALLY TO DECREASE
CONFIDENTIAL

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

THE ROLE OF THE INTERNATIONAL COMPANIES IN THE MARKETING OF VENEZUELAN OIL, AND B) TO DIVERSIFY MARKETS.

11. FOREIGN POLICY. VENEZUELA'S DOMESTIC POLITICS AFFECT ITS FOREIGN POLICY THROUGH: A) THE GOV'S COMMITMENT TO SOCIAL JUSTICE AND ECONOMIC DEVELOPMENT WHICH COMBINES WITH ITS CONVICTION THAT ITS OIL RESERVES ARE A FINITE RESOURCE WITH A LIMITED PRODUCTION LIFE TIME TO MAKE DEFENSE OF OPEC AND HIGH PRICES A CARDINAL TENET OF ITS FOREIGN POLICY; B) ITS GENERALIZED COMMITMENT TO DEMOCRACY WHICH MAKES VENEZUELA A NATURAL DEFENDER OF ECONOMIC OPPORTUNITY, HUMAN RIGHTS, AND ANTI-TERRORISM AS WELL AS A VOCAL OPPONENT OF MILITARY DICTATORSHIPS; AND C) THE PARTICULAR PERSONALITY OF CARLOS ANDRES PEREZ. PEREZ CAME TO POWER WITH A PROFOUND SENSE OF VENEZUELA'S DESTINY AND HIS PARTY'S (AD) HERITAGE. HISTORICALLY, THE AD PARTY DID NOT HAVE A FOREIGN POLICY (1958-1963) BEYOND OPPOSING DICTATORSHIPS OF THE LEFT AND RIGHT, IDEOLOGICAL CONFLICT AND A COMPETITIVE JUXTAPOSING OF VENEZUELA'S DEMOCRATIC REFORMIST MODEL TO THAT OF CUBA. DURING THE COPEI PARTY'S PERIOD IN POWER (1969-1973) VENEZUELA ADVOCATED IDEOLOGICAL PLURALISM AND ADOPTED A THIRD WORLD POSTURE ESTABLISHING RELATIONS WITH A NUMBER OF COMMUNIST COUNTRIES. PEREZ BROKE WITH AD TRADITION AND CONTINUED THE MAIN THREADS OF COPEI FOREIGN POLICY, ALTHOUGH CLEARLY MARKED BY HIS PERSONALITY--OUTSPOKEN, EGOCENTRIC, ERRATIC AND VERY ACTIVE.

12. VENEZUELA THUS HAS BECOME AN INCREASINGLY ASSERTIVE ACTOR ON THE INTERNATIONAL SCENE. IT HAS CULTIVATED A LEADERSHIP ROLE IN THE BARGAINING BETWEEN DEVELOPED AND UNDERDEVELOPED, AND ADOPTED AN ALMOST BOLIVARIAN COMMITMENT TO LATIN AMERICAN UNITY AND SOLIDARITY. SINCE 1974, VENEZUELAN CONFIDENTIAL

CONFIDENTIAL

FOREIGN POLICY HAS: JUSTIFIED PRODUCER CARTELS; SOUGHT TO DEFLECT CRITICISM BY LDCS OF OIL PRICE INCREASES BY PROMOTING ECONOMIC AND TECHNICAL ASSISTANCE THROUGH THE OPEC SPECIAL FUND; PROMOTED VENEZUELA AS A THIRD WORLD SPOKESMAN IN UNCTAD, G-77 AND, MOST PARTICULARLY, IN CIEC. IN KEEPING WITH PEREZ' BOLIVARIAN COMMITMENT TO LA SOLIDARITY, VENEZUELA HAS EFFECTIVELY PUSHED FOR LATIN AMERICAN INTEGRATION (SUPPORT FOR ANDEAN PACT AND SELA), AND FOR REINTEGRATING CUBA INTO LATIN AMERICA. PEREZ

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

HAS LECTURED SOUTH AMERICAN DICTATORSHIPS ON THE
NEED FOR RETURN TO CIVILIAN RULE AND PROJECTED
VENEZUELA INTO THE CARIBBEAN BY: ESTABLISHING DIPLOMATIC
AND TRADE RELATIONS WITH CUBA; OFFERING GOOD OFFICES
ON THE BELIZE ISSUE; AND OFFERING ECONOMIC ASSISTANCE
(PRIMARILY THROUGH SPECIAL RELIEF ON OIL PURCHASES)
TO A NUMBER OF CENTRAL AMERICAN AND CARIBBEAN COUNTRIES.

13. BECAUSE THEY TEND TO BE AD HOC, ILL-PLANNED, LACKING IN
FOLLOW-THROUGH AND BECAUSE VENEZUELA WILL
PROBABLY NOT BE ABLE TO CONTINUE DISPENSING ECONOMIC
LARGESSE ABROAD, MANY OF PRESIDENT PEREZ' FOREIGN
POLICY INITIATIVES MAY NOT PROSPER BEYOND PROCLAMATION.

14. INVESTMENT, TECHNOLOGY AND TRADE. SUBSTANTIAL NEW
INVESTMENT OF US EQUITY CAPITAL IN VENEZUELA DURING
THE NEXT FEW YEARS IS UNLIKELY. VENEZUELA'S
SUSPICION OF MULTINATIONALS AND ITS GENERAL
NATIONALISM MAKE IT UNWILLING TO LOOK TO EQUITY
INVESTMENT AS A SOURCE OF CAPITAL FUNDS. ITS EXCELLENT
CREDIT WORTHINESS OVER THE NEXT SEVERAL YEARS GIVES
IT A MORE POLITICALLY PALATABLE ALTERNATIVE--GOVERN-
MENT BORROWING. ON THE OTHER HAND, VENEZUELA DOES
DESIRE AND NEED TECHNOLOGY AND MANAGERIAL EXPERTISE.
THE US ECONOMIC RELATIONSHIP WITH VENEZUELA
WILL THEREFORE QUITE PROBABLY BE CHARACTERIZED
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 CARACA 00653 02 OF 02 212134Z

INCREASINGLY BY FORMS OF PRIVATE FOREIGN PARTICIPATION
OTHER THAN DIRECT INVESTMENT--ROYALTY CONTRACTS, SUPPLY
ARRANGEMENTS AND TECHNICAL ASSISTANCE CONTRACTS.
DIRECT INVESTMENT MAY BE SIMPLY AN ADJUNCT TO SUCH NEW
FORMS OF TECHNOLOGY TRANSFER. A DIFFICULT CHOICE
MAY ARISE IF THERE ARE ANY "PACKAGES" THAT THE PROVIDER
REFUSES TO SPLIT UP AS BETWEEN EQUITY INVESTMENT AND
TECHNOLOGY, SO THAT TO ACQUIRE THE LATTER VENEZUELA
WOULD BE FORCED TO ACCEPT THE FORMER. EXPLOITATION
OF THE TAR BELT MAY INVOLVE JUST THAT KIND OF CHOICE.

15. VENEZUELA WILL CONTINUE TO BE AN EXCELLENT
MARKET FOR FOREIGN EXPORTERS, AND FOR THE US IN
PARTICULAR, ALTHOUGH THE RATE OF GROWTH OF THE
MARKET MAY SLACK OFF AS THE ECONOMY BEGINS TO
EXPERIENCE BALANCE OF PAYMENTS LIMITATIONS. AS ITS
INDUSTRY DIVERSIFIES, VENEZUELA
WILL ALSO BE INCREASINGLY INTERESTED IN FOREIGN
MARKETS FOR ITS OWN EXPORTS, AND THEREFORE
TRADE CONSIDERATIONS, PREFERENCES, NTB'S, PRICE,
COMMODITY TRADE, ARE ALL LIKELY TO BECOME
INCREASINGLY NEURALGIC TOPICS FOR THE GOV.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

VAKY

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERVENTION, ECONOMIC CONDITIONS, FOREIGN POLICY POSITION, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA00653
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770023-0519
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770131/aaaabasj.tel
Line Count: 387
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a81161d3-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 CARACAS 654
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3542070
Secure: OPEN
Status: NATIVE
Subject: U.S. AND VENEZUELA: I. THE SETTING
TAGS: PFOR, VE
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/a81161d3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009